

ELIAS C. ALVORD (1942)  
ELLSWORTH C. ALVORD (1964)

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JUN 19 1996 4:45 PM

OF COUNSEL  
URBAN A. LESTER

June 19, 1996

Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a), are two (2) copies of Master Equipment Lease Agreement, dated as of April 9, 1996, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Lessor: NationsBanc Leasing Corporation  
2300 Northlake Centre Drive, Suite 300  
Tucker, Georgia 30084

Lessee: Dakota, Minnesota & Eastern Railroad Corporation  
337 22nd Avenue South  
Brookings, South Dakota 57002-2828

A description of the railroad equipment covered by the enclosed document is:

one hundred (100) covered hopper railcars with DME reporting marks and road numbers 51000 through 51044 and 51048 through 51102

Mr. Vernon A. Williams  
June 19, 1996  
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Also enclosed is a check in the amount of \$21 00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return one stamped copy of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read 'R. Alvord', with a long horizontal flourish extending to the right.

Robert W Alvord

RWA/bg  
Enclosures

This Master Equipment Lease Agreement (this "Lease") dated as of April 9, 1996, between NationsBanc Leasing Corporation ("Lessor"), a corporation organized under the laws of North Carolina, having its chief executive office at 2300 Northlake Centre Drive, Suite 300, Tucker GA 30084, and Dakota, Minnesota & Eastern Railroad Corporation, ("Lessee"), a corporation organized under the Laws of Delaware, having its chief executive office at 337 22nd Avenue South, Brookings, SD 57002-2828

**1 Lease Agreement** Subject to the terms and conditions hereinafter set forth, Lessor shall lease to Lessee, and Lessee shall hire from Lessor, the units of personal property (collectively with all attached parts, replacements, additions, accessions and accessories attached thereto, the "Equipment") described in one or more equipment schedules (each a "Schedule") which incorporate by reference this Master Equipment Lease Agreement. Each Schedule shall constitute a separate and independent lease and contractual obligation of Lessee. Until a Schedule is duly signed and delivered by Lessor, a Schedule signed and delivered by Lessee constitutes an irrevocable offer by Lessee to lease the Equipment described in such Schedule from Lessor.

**2 Term of Lease, Rentals and Deposit** The lease term with respect to any Equipment covered by a Schedule shall consist of an "Interim Term" and a "Base Term" as provided in the Schedule covering such Equipment. Lessee shall pay rent for the Interim Term ("Interim Rent") as provided and in amounts determined by Lessor as set forth in the applicable Schedule, and shall pay rent for the Base Term ("Base Rent") in such amounts and at such times as shall be specified in the applicable Schedule. At the time Lessee signs and delivers a Schedule, Lessee shall deposit with Lessor such additional sum ("Security Deposit"), if any, specified in the Schedule as security for the payment and performance of any obligation of Lessee hereunder.

**3 Location and Use of Equipment** The Equipment shall not be used or assigned for use in service involving the regular operation or maintenance outside the United States. Lessee will use, operate, protect, and maintain the Equipment in compliance with all applicable insurance policies, laws, ordinances, rules, regulations, and manufacturer's instructions, and all standards of the Association of American Railroads and any other national organization applicable to the use, maintenance, or interchange of the Equipment, and shall at its own expense make such alterations to the Equipment as are from time to time required for such compliance. The Equipment shall be used solely for commercial or business purposes, and not for any consumer, personal, home, or family purpose.

Lessee shall not, through modifications, alterations or any other method, impair the originally intended function of any Equipment without the prior written consent of Lessor. Any replacement or substitution of parts, improvements or additions to the Equipment made by Lessee shall become and remain the property of Lessor. Lessee shall affix and maintain on each side of each unit of the Equipment (a) the reporting marks assigned to Lessee by the Association of American Railroads, (b) the identification number set forth in the Schedule for such unit, (c) the legend "owned by NationsBanc Leasing Corporation, as Lessor", and (d) such other markings as from time to time are required by law or deemed necessary or appropriate by Lessor to protect Lessor's ownership interest in the Equipment. Lessee shall keep the Equipment free and clear of any liens, encumbrances, claims and charges (except for those created expressly by Lessor) and shall not in any way encumber its rights hereunder or under any Schedule.

**4. Taxes.** Lessee shall reimburse Lessor on demand for all taxes, assessments and other governmental charges paid by Lessor in connection with the Equipment or its use, ownership or operation while in Lessee's possession or the payment or receipt of rent or other charges under any Schedule, including but not limited to foreign, federal, state, county and municipal fees and taxes, ad valorem, sales, use, excise, stamp and documentary taxes (other than federal and state taxes based on Lessor's net income), and all related penalties, fines and interest charges. Upon Lessor's request, Lessee will immediately furnish to Lessor such information as Lessor shall require in connection with the preparation and filing of all returns relating to such taxes, assessments, or charges.

### 5 Net Lease, Loss and Damage

(a) Each Schedule is a net lease. All costs, expenses and other liabilities associated with the Equipment shall be borne by Lessee. Lessee's obligations under any and all Schedules are absolute and unconditional, and are not to be subject to any abatement, deferment, reduction, setoff, defense, counter claim or recoupment for any reason whatsoever. Except as otherwise expressly provided herein, no Schedule shall terminate nor shall the obligations of Lessee be affected, by reason of any defect or damage to, or any destruction, loss, theft, forfeiture, governmental requisition or obsolescence of the Equipment, regardless of cause.

(b) Lessee assumes all risk of damage to or loss, theft or destruction of the Equipment from any cause whatsoever from the date the Equipment is shipped by the vendor or manufacturer. In the event of loss or destruction of the Equipment from any cause whatsoever from the date the Equipment is shipped by the vendor or manufacturer but prior to its acceptance by Lessee, Lessee shall promptly pay to Lessor all sums heretofore paid by Lessor to such vendor or manufacturer and Lessor shall assign to Lessee all of its rights or causes of action, if any, against such vendor or manufacturer. In the event of damage of any kind whatsoever to any item of the Equipment on or after its acceptance by Lessee, Lessee shall, at Lessor's option, either place the same in good repair, condition or working order or if in the reasonable judgment of Lessor the Equipment is determined by Lessor to be lost, stolen, destroyed or damaged beyond repair, Lessee shall pay Lessor the Stipulated Loss Value therefor. Upon such payment, the Lease of such Equipment shall terminate and Lessee thereupon shall become entitled to such item of the Equipment "As Is and Where Is" without warranty, express or implied, with respect to any matter whatsoever. The Stipulated Loss Value of any Equipment shall be determined by Lessor in accordance with the provisions of the Schedule covering such Equipment. Proceeds of Insurance may be available for the repair or payment of the Stipulated Loss Value, in accordance with Section 6 hereof.

**6 Insurance** Lessee shall, at its own expense, procure and maintain the following insurance coverages on the Equipment until the Equipment is returned to Lessor or Lessee's obligations with respect thereto under any applicable Schedule are otherwise terminated: (i) insurance against theft, fire, and such other risks as Lessor shall specify or (absent any written specification by Lessor) as are customarily insured against in Lessee's trade or industry, under policies naming Lessor as loss payee and (ii) comprehensive public liability and property damage insurance, under policies naming Lessor as additional insured. Each such insurance policy shall (a) include provisions for the protection of Lessor notwithstanding any action or inaction, neglect,

breach, violation, or default of or by Lessee of any warranty, condition or declaration, (b) provide for payment of insurance proceeds to Lessor to the extent of its liability or interest, (c) provide that such policy may not be modified, terminated or canceled unless Lessor is given at least thirty (30) days' advance written notice thereof, (d) provide that the coverage is "primary coverage" for the protection of Lessee and Lessor notwithstanding any other coverage carried by Lessee or Lessor protecting against similar risks or liabilities, and (e) be issued in such amounts (which in the case of casualty insurance will never be less than the Stipulated Loss Value of the Equipment covered thereby), with such deductibles, by such insurance company, and otherwise in such form as shall all be reasonably satisfactory to Lessor. Lessee shall furnish Lessor with certificates or other satisfactory evidence of such insurance, and shall furnish Lessor with a renewal certificate for each policy at least ten (10) days before the policy renewal date. Lessor shall have no duty to examine any certificate or other evidence of insurance, or to advise Lessee in the event that its insurance is not in compliance with this Section 6. The proceeds of any public liability or property damage insurance shall be payable first to Lessor to the extent of its liability, if any, and the balance to Lessee. The proceeds of fire, theft, or other casualty insurance shall be payable solely to Lessor and shall be used for the repair or replacement of the affected Equipment, unless an event of default shall have occurred and be continuing, in which event such proceeds may, at Lessor's sole option, be applied toward the payment of Lessee's obligations under the applicable Schedule. Lessor shall pay Lessee any such proceeds in excess of Lessee's obligations. Lessee hereby appoints Lessor as Lessee's agent and attorney-in-fact with full power to do all things (including but not limited to making, adjusting, and settling claims, and receiving payments and endorsing documents, checks, or drafts) necessary or advisable to secure payment due under any insurance policy contemplated hereby.

**7 General Indemnities.** Lessee shall indemnify Lessor against all claims, liabilities, losses and expenses whatsoever, including reasonable attorneys' fees and costs (except those directly and primarily caused by Lessor's gross negligence or willful misconduct), in any way relating to or arising out of the Equipment or any part thereof, or the ordering, acquisition, rejection, installation, possession, maintenance, use, ownership, condition, destruction, return, or disposition of the Equipment or any part thereof, including negligence and strict liability in tort, and including any infringement claim. Lessee's obligations under this provision shall survive any partial or total termination, expiration, or cancellation of this Lease.

#### **8 Tax Indemnity.**

(a) All references to "Lessor" in this Section 8 shall include each member of the affiliated group of corporations, as defined in Section 1504(a) of the Internal Revenue Code of 1986, as amended (the "Code"), of which Lessor is a member.

(b) Lessor and Lessee agree that Lessor shall be treated for federal, state and local income tax purposes as the owner of the Equipment and shall be entitled to take into account in computing its income tax liabilities, all items of income, deduction, credit, gain or loss relating to ownership of the Equipment as are provided under the Code and applicable state and local tax laws to owners of similar equipment (hereinafter collectively, the "Tax Benefits").

(c) If (i) Lessor shall lose, shall be delayed in claiming, shall not have a right to claim, shall be required to recapture (other than in connection with a sale of the Equipment following the end of the lease term, provided Lessee is not then in default), shall not be allowed or shall not claim as a result of a written opinion of independent tax counsel selected by Lessor to the effect that Lessor's claiming of such Tax Benefits probably would not be upheld by a court if the matter were litigated (that is, that the chances of a finding against Lessor are at least as great as the chances in favor of Lessor), all or any portion of any Tax Benefits, under any circumstances, at any times and for any reason, or (ii) the federal, state or local income tax rates in effect on the commencement date of the lease term for such Equipment (the "Tax Rates") are changed with respect to any period on or prior to the disposition of the Equipment by Lessor, or (iii) Lessor is required under Section 467 of the Code or otherwise to include in its gross income with respect to any Schedule or item of Equipment any amount at any time other than rentals and other amounts payable by Lessee hereunder at the times such amounts are payable as provided herein, then Lessor and Lessee agree that, upon Lessor's demand and at Lessee's option, either (x) all further rental payments with respect to such Equipment, if any, shall be increased, or (y) Lessee shall pay to Lessor a lump sum amount, which shall in either case maintain the net economic after-tax yield, cash-flow and rate of return Lessor originally anticipated based on the assumptions (including Tax Rates) that were originally utilized by Lessor in originally evaluating the transaction and setting the rental therefor and the other terms thereof. If a Tax Rate change increases Lessor's Net Return, upon Lessee's demand within 30 days after such change, Lessor shall at Lessor's option either (x) decrease all further rental payments or (y) pay to Lessee a lump sum amount, so as in either case to maintain Lessor's Net Return. Lessee shall also pay to Lessor all interest, costs (including attorney's fees) and penalties associated with the loss of Tax Benefits or the change in Tax Rates which is detrimental to Lessor including costs of collecting amounts under this Section 8.

(d) For purposes of paragraph (c) above, Lessor shall at all times be deemed to have sufficient taxable income and tax liability to be able to utilize the Tax Benefits on a current basis and the fact that Lessor may lose Tax Benefits solely because it either (i) has insufficient taxable income or tax liability or (ii) is subject to the alternative minimum tax shall not be taken into account.

#### **9 Delivery, Acceptance and Return of Equipment**

(a) Upon delivery to and acceptance by Lessee of any Equipment, Lessee shall execute and deliver the Schedule relating to such Equipment, identifying same and acknowledging receipt thereof, with all information required on the Schedule fully completed. Lessee's execution of such Schedule shall constitute acceptance of delivery of such Equipment and Lessee's acknowledgment that such Equipment is in good operating order, repair, condition and appearance, is of the manufacture, design and capacity selected by Lessee, and is suitable for the purposes for which such Equipment is leased.

(b) Upon the expiration or early termination of this Lease, Lessee shall, at its risk and expense, assemble all units of the Equipment at any single facility of Lessee, selected by Lessor by notice not later than 60 days before this Lease expires, within the United States or, if Lessor does not so notify Lessee, at any such facility selected by Lessee, and there store the Equipment for a period not to exceed 180 days after this Lease expires, and deliver the Equipment to a carrier for shipment at Lessor's instructions.

Upon termination or expiration of this Lease, Lessee shall deliver to Lessor (or any person designated by Lessor) all manuals, logs, and maintenance records for the Equipment.

Upon such return, the Equipment shall be in the condition required by §§ 3 and 10 hereof. Not less than 30 days before this Lease expires, Lessee shall notify Lessor of the location to which the Equipment is to be delivered pursuant to this section. Lessor (or any person designated by Lessor) may there inspect the Equipment. If any unit of Equipment is found not conforming to the requirements of this section, Lessee shall make such repairs as are necessary for such conformance.

If any unit of Equipment is not returned in the required condition upon the expiration of this Lease, Lessee shall pay to Lessor daily rent for each day from the expiration of this Lease to the date such unit is returned or restored to the condition required, as the case may be (or payment made in respect of any such unit deemed to have suffered a loss in accordance with § 5(b) hereof). Such daily rent shall be the daily equivalent of Base Rent, but shall not be less than the amounts paid by railroad companies to other railroad companies or private car lines for the use of equipment of the same age and type of the Equipment

**10 Maintenance.** Lessee shall, at its own expense, maintain and keep the Equipment in good working order, repair, appearance and condition and make all necessary adjustments and repairs thereto and replacements thereof, all of which shall become the property of Lessor. Lessee shall observe the recommendations of the manufacturer of the Equipment regarding preventive maintenance and repair, and shall use replacement parts at least equal in quality and function to the parts originally furnished with the Equipment. Any replacement parts shall be free of liens and encumbrances when installed. Lessee shall use the Equipment only for the service and in the manner for which it was designed, and shall not use the Equipment for the transportation of corrosive or radioactive materials, or other materials that might cause damage to the Equipment that could not be practically repaired or would not be covered fully by insurance required or obtained pursuant to this Lease

**11 Renewal and Purchase** Except as set forth in the applicable Schedule, Lessee may not renew or extend the lease term with respect to any Equipment, nor shall Lessee have any option to purchase such Equipment

**12 Assignment of Warranties and Limitation of Responsibility** Lessor hereby transfers and assigns to Lessee, to the extent allowable by law, for and during the lease term of each Schedule with respect to any Equipment covered by such Schedule, the warranties, if any, of the manufacturer issued on such Equipment, and hereby authorizes Lessee to obtain at its own expense the customary service furnished by the manufacturer in connection therewith. Lessee acknowledges that Lessor is not a manufacturer, the agent of a manufacturer or engaged in the sale or distribution of the Equipment and has not made, and does not hereby make, any representation as to merchantability, performance, condition, fitness or suitability of any of the Equipment for the purposes of Lessee or make any other representation with respect thereto. Lessor shall not be liable to the Lessee for any loss, claim, liability, cost, damage or expense of any kind caused, or alleged to be caused, directly or indirectly, by any Equipment, or by an inadequacy thereof for any purpose, or by any defect therein, or the use or maintenance thereof, or any repairs, servicing or adjustments thereof, or any delay in providing or failure to provide the same, or any interruption or loss of service or use thereof, or any loss of business, profits, consequential or other damage of any nature. Lessee agrees that its obligations hereunder shall not in any way be affected by any defect or failure of performance of Equipment

**13. Personal Property.** "[intentionally deleted]"

#### **14 Default and Remedies**

(a) Each of the following shall constitute an event of default hereunder and under any and all Schedules then in effect (each, an "Event of Default"): (1) nonpayment when due of any installment of rent or other sum owing by Lessee hereunder, under any Schedule or under any other agreement between Lessor and Lessee if such nonpayment continues for ten (10) days; (2) Lessee's failure to perform and comply with any other provision or condition hereunder or under any Schedule if such failure continues for ten (10) days after written notice thereof by Lessor to Lessee; (3) Lessee's attempt to sell, lease or encumber any item of the Equipment without Lessor's prior written consent, or the attachment of any lien to any such item in favor of anyone other than Lessor, or any attempted levy, seizure or attachment on such item; (4) any representation or warranty made by Lessee to Lessor hereunder or under any Schedule, certificate, agreement, instrument or other statement including income and financial statements, proves to have been incorrect in any material respect when made; (5) the merger, consolidation, reorganization or dissolution of, or transfer of a controlling stock interest in Lessee, which in Lessor's opinion has had a material adverse effect on Lessee's financial condition, or the suspension of Lessee's present business; (6) Lessee's general assignment for the benefit of creditors or commencement of any voluntary case or proceeding for relief under the Bankruptcy Code, or any other present or future law for the relief of debtors, or the taking of any action to authorize or implement any of the foregoing; (7) the filing of any petition or application against Lessee under any present or future law for the relief of debtors, including proceedings under the Bankruptcy Code, or for the subjection of property of Debtor to the control of any court, receiver or agency for the benefit of creditors if such petition or application is consented to by Lessee or not dismissed within one hundred twenty (120) days from the date of filing; (8) a default exists under any other agreement or instrument of Lessee's with or in favor of Lessor or any direct or indirect affiliate of Lessor; (9) the attempted repudiation of any guaranties for obligations of Lessee to Lessor; (10) the Pension Benefit Guaranty Corporation's commencement of proceedings under Section 4042 of the Employee Retirement Income Security Act of 1974 to terminate any employee pension benefit plan of Lessee; or (11) the occurrence of any event described in clauses (6), (7), (8), or (10) of this Section 14 with respect to any guarantor or the person liable for payment or performance of Lessee's obligations under this Lease.

(b) Upon the occurrence of an Event of Default, Lessor may at its option: (1) proceed by appropriate court action or actions, either at law or in equity, to enforce performance by Lessee of the applicable covenants hereunder and under any or all Schedules or to recover damages for the breach thereof; or (2) cancel Lessee's right of possession of any or all of the Equipment, whereupon all rights of Lessee to use the Equipment shall absolutely cease and terminate, but Lessee shall remain liable as herein provided. Upon such cancellation, Lessee shall, at its own expense, redeliver such Equipment as soon as is practical, but no later than sixty (60) days to Lessor at a place within the continental United States designated by Lessor. If Lessee shall fail to do so, Lessor may retake possession of same, free from any right of Lessee, its successors or assigns. If Lessor elects to cancel Lessee's right of possession of any Equipment, Lessor may recover from Lessee any and all amounts that, under the terms of the applicable Schedule, are then due or that have accrued to the date of such termination, and may also recover forthwith from Lessee, as damages for loss of its bargain and not as a penalty, an amount equal to the Stipulated Loss Value of such Equipment as of the rental payment date on or next preceding the date of default. However, if Lessor recovers possession of such Equipment, Lessee's obligations under the preceding sentence shall be reduced by (1) the net amount Lessor in fact receives from the sale of any such Equipment; or (2) at Lessor's election, the present value (determined on the basis of the "Discount Rate" as hereinafter defined) of the noncancelable regularly scheduled rentals receivable under a subsequent lease of any of the Equipment, taking into account only the rentals receivable from the commencement date of such subsequent lease until the end of the lease term for such Equipment under the applicable Schedule plus the present value of the residual value of the equipment reasonably anticipated at the end of such lease. For purposes of this Section 14, the Discount Rate shall be a rate of

interest equal to four percent (4 0%) plus the "Prime Rate" of NationsBank of Georgia, N A., Atlanta, Georgia (or any successor thereto as announced on the day on which the commencement date of such subsequent lease occurs

(c) In addition to any amount recoverable under paragraph (b) above, Lessor may recover from Lessee all Lessor's costs and expenses incurred by reason of Lessee's breach or default, including without limitation costs and expenses of repossession, storing, holding, transporting, insuring, servicing, repairing, maintaining, renting, and selling any Equipment and collecting rents and other proceeds of its disposition, and fees expenses of attorneys in the amount fifteen percent (15%) of all amounts due on or after the time of such breach or default (but not to exceed the amount actually incurred), and other professionals employed by Lessor in connection with the protection and enforcement of its title and interest in any and all Equipment and its rights under any and all Schedules. From and after the occurrence of an event of default, any installment of rent or other sum owing under any Schedule that is not paid when due shall accrue interest from the date of such event of default or (if later) the date such amount becomes due to the date it is paid, at a per annum rate equal to the lesser of (i) NationsBank's prime rate plus 4% or (ii) the highest rate, if any, permitted by applicable law.

(d) Except as otherwise expressly provided herein, all rights and remedies of Lessor are concurrent and cumulative. The exercise or partial exercise of any remedy shall not restrict Lessor from further exercise of that remedy or any other remedy provided for herein or otherwise available under applicable law. To the extent permitted by applicable law, Lessee waives any rights now or hereafter conferred by statute or otherwise that may require Lessor to sell, release or otherwise use or dispose of any of Equipment in mitigation of Lessor's damages or that may otherwise limit or modify any of Lessor's rights or remedies.

**15. Assignment by Lessor.** Lessor may assign or transfer, and Lessee hereby consents to the assignment or transfer, of all or any part of any Schedule or Lessor's interest in any Equipment without notice to Lessee. Lessee agrees that the liability of Lessee to any assignee of Lessor, or any subsequent assignee of such assignee, shall be absolute and unconditional and shall not be affected by any default hereunder of Lessor whatsoever or by any breach of any warranty, express or implied, in respect of any Equipment or Schedule. Lessee further agrees that no such assignee shall be required to assume any of the obligations of Lessor under any Schedule except (i) the obligation in respect of the application of any insurance monies received by such assignee, as hereinabove provided, (ii) that the assignee shall be responsible for its own misconduct after the assignment, and (iii) that any successor lessor shall be responsible for the lessor's duties hereunder accruing after any such assignment. Lessee acknowledges that no such assignment shall materially change Lessee's duties hereunder or materially increase any burden or risk imposed on Lessee hereunder.

**16 Prohibition of Assignment by Lessee.** Lessee shall not assign or in any way dispose of all or any part of its rights or obligations under any Schedule or enter into any sublease of all or any part of any Equipment without the prior written consent of Lessor, which shall not be unreasonably withheld, or otherwise part with possession or control of the Equipment or any part thereof, except to railroad companies for the transportation of goods and commodities in the North American Railroad Interchange or to the manufacturer or other maintenance facilities for maintenance, repair, or overhaul, or for modification to the extent permitted under this Lease.

#### **17 Financial and Other Data**

(a) During the term of this Lease, Lessee (i) shall furnish Lessor annual balance sheets and profit and loss statements of Lessee and of any guarantor of Lessee's obligations under any Schedule, and (ii) at Lessor's request, shall furnish Lessor all other financial information and reports reasonably requested by Lessor at any time, including quarterly or other interim balance sheets and profit and loss statements of Lessee and of any such guarantor. Lessee shall furnish such other information as Lessor may reasonably request at any time concerning Lessee and its affairs, including without limitation information concerning the Equipment covered by a Schedule.

(b) Lessee represents and warrants that all information furnished and to be furnished by Lessee to Lessor is accurate and that all financial statements Lessee has furnished and hereafter may furnish to Lessor, including operation statements and statements of condition, are and will be prepared in accordance with generally accepted accounting principles, consistently applied, and reasonably reflect and will reflect, as of their respective dates, results of the operations and the financial condition of Lessee and of any other entity they purport to cover.

#### **18 Miscellaneous**

(a) Each Schedule is and is intended to be a lease, and Lessee does not acquire hereby or under any Schedule any right, title or interest in or to the Equipment, except the right to use the same under the conditions hereof and under the additional conditions set forth in the applicable Schedule. Lessee waives any right to assert any lien or security interest on the Equipment in Lessee's possession or control for any reason.

(b) The relationship between Lessor and Lessee shall always and only be that of lessor and lessee. Lessee shall never at any time for any purpose whatsoever be or become the agent of Lessor and Lessor shall not be responsible for the acts or omissions of Lessee or its agents.

(c) Lessee shall file and record this Lease, and any assignments hereof and amendments hereto pursuant to Section 11303 of Title 49 of the United States Code, and shall execute and file any other instruments requested by Lessor that are necessary or appropriate to protect or preserve such interests.

Lessee hereby irrevocably appoints Lessor as Lessee's agent and attorney-in-fact for Lessee, during the continuance of an event of default, to execute, deliver, file, or record any such item.

(d) Lessor, its agents and employees shall have the right to enter any property where Equipment is located and inspect any Equipment at any reasonable time. Lessor's right to inspect the Equipment is solely for the benefit of Lessor and shall not impose any obligation of any kind whatsoever on Lessor.

(e) Lessee agrees to pay Lessor a late charge equal to five percent (5%) of the rental on all rentals not paid by Lessee to Lessor within ten (10) days of when due and owing under the provisions of this Lease.

(f) To secure the full and punctual payment and performance of its obligations under each Schedule, Lessee hereby grants to Lessor a security interest in all Lessee's right, title and interest, whether now existing or hereafter arising, in, under and to each other Schedule, lease, security agreement or other agreement between Lessor and Lessee, and each item of Equipment or other tangible personal property covered thereby.

(g) Lessor's rights and remedies with respect to any of the terms and conditions of each Schedule shall be cumulative and not exclusive and shall be in addition to all other rights and remedies in its favor. Lessor's failure to enforce strictly any of the provisions of any Schedule shall not be construed as a waiver thereof or as excusing Lessee from future performance.

(h) The invalidity of any portion of this Lease or any Schedule shall not affect the force and effect of the remaining valid portions thereof

(i) All notices shall be binding upon the parties hereto if sent to the respective addresses set forth herein, or to such other address as either party may designate in a written notice to the other party. Except as otherwise expressly provided herein, all notices shall be deemed effective five (5) days after when deposited in the United States mail (if sent by registered, certified or first-class mail, postage prepaid) or when received (if sent by any other means)

(j) Except as expressly provided herein, no representation, warranty, promise, guaranty or agreement, oral or written, expressed or implied, has been made by either party herein with respect to any Schedule or Equipment. This Lease and the Schedules governed hereby constitute the entire agreement between the parties herein with respect to the leasing of the Equipment. Any change or modification to this Lease or any Schedule governed hereby must be made in writing and signed by the parties hereto

(k) To the extent permitted by applicable law, this is a "finance lease" under Section 2A-103(g) of the Uniform Commercial Code. Lessee waives any right (i) to cancel or repudiate this Lease or any Schedule governed hereby, (ii) to reject or revoke acceptance of any item of Equipment, and (iii) to recover from Lessor any general or consequential damages, for any reason whatsoever

(l) This Lease and each Schedule incorporating its terms and conditions shall be governed by and construed according to the internal laws of the State of Georgia as of the date hereof, without giving effect to any principle of conflicts of law or choice of law that would otherwise make the law of any other jurisdiction the law governing this Lease or any such Schedule

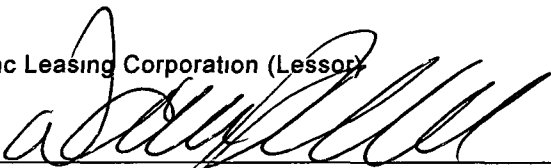
(m) Lessor and Lessee each waive trial by jury in any action, proceeding or counterclaim brought by either against the other on any matter however arising out of or in any way connected with this Lease or any Schedule

(n) Lessee shall reimburse Lessor upon demand for all costs and expenses incurred by Lessor in connection with the execution and delivery of this Lease and the transactions contemplated hereunder including without limitation, any reasonably necessary lien search and filing fees

In Witness Whereof, Lessor and Lessee have executed this Lease as of the date first above written

NationsBanc Leasing Corporation (Lessor)

By



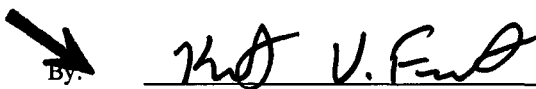
Printed Name

Damon R. Excell  
Assistant Vice President

Title

Dakota, Minnesota & Eastern Railroad Corporation (Lessee)

By



Printed Name

Kurt V. Feaster

Title

CFO & Treasurer

State of South Dakota )

County of Brookings )

ss.

On this 18<sup>th</sup> day of April, 1996, before me, personally appeared Kurt V. Feaster to me personally known, who being by me duly sworn, says that ~~he~~ is the CFO and Treasurer of DME Railroad Corp., that the foregoing Master Equipment Lease Agreement was signed on behalf of said trust by authority granted under the \_\_\_\_\_ agreement dated as of \_\_\_\_\_, and ~~he~~ acknowledged that the execution of said instrument was the free act and deed of said trust

Notary Public

Joyce E. Hock  
In and For the State of South Dakota  
(Seal)

My Commission expires

May 5, 2002

State of Georgia

County of Dekalb

SS

On this 18th day of June, 1998, before me, personally appeared Damon R Excell,  
to me personally known, who being by me duly sworn, says that (s)he is the AVP of NationsBanc Leasing Corporation,  
that the seal affixed to the foregoing Master Equipment Lease Agreement is the corporate seal of said corporation, that said instrument was signed  
and sealed on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of said instrument was the  
free act and deed of said corporation

Andrea E. [Signature]  
Notary Public

(Seal)

My Commission expires

Notary Public, Clayton County, Georgia  
My Commission Expires June 22, 1998



Name of Corporation Dakota, Minnesota & Eastern Railroad Corp.  
Located at 337 22nd Avenue South  
City Brookings State SD 57002-2828

I, the undersigned, hereby certify that I am the Secretary of the above-named corporation (hereafter called "this Corporation"), that the following is a true copy of resolutions duly adopted by the Board of Directors of this Corporation at a meeting duly held at which a quorum was present and acting throughout, and that such resolutions have not been rescinded or modified and are now of full force and effect

**Resolved**, that the officers of this Corporation, or any of them, be and they hereby are authorized and directed to enter into with NationsBank Leasing Corporation ("NationsBank"), from time to time, on behalf of this Corporation, such lease, loan and other financing, security, and equipment acquisition agreements as they or any of them may deem necessary or desirable in connection with the operation of the business of this Corporation, upon such terms and conditions as may be obtainable through negotiation with NationsBank, and to execute and deliver documents in respect thereof in the name of the Corporation and further to extend, renew, renegotiate or otherwise modify such terms and conditions by agreement with NationsBank

**Be It Further Resolved**, that all acts and deeds of any officer of this Corporation heretofore performed on behalf of this Corporation in entering into, executing, performing, carrying out or otherwise pertaining to the arrangements and intentions authorized by these resolutions are hereby ratified, approved, confirmed and declared binding upon this Corporation

**Be It Further Resolved**, that the Secretary shall certify to NationsBank the names of the presently duly elected and qualified officers of this Corporation and shall from time to time hereafter, as changes in the personnel of said officers are made, immediately certify such changes to NationsBank, and NationsBank shall be fully protected in relying on such certifications of the Secretary and shall be indemnified and saved harmless from any claims, demands, expenses, loss or damage resulting from or growing out of honoring the signature of any officer so certified or for refusing to honor any signature not so certified

**Be It Further Resolved**, that the foregoing resolutions shall remain in full force and effect until written notice of their amendment or rescission shall have been received by NationsBank and that receipt of such notice shall not affect any action taken by NationsBank prior thereto, and,

**Be It Further Resolved**, that the Secretary be and (s)he hereby is authorized and directed to certify to NationsBank the foregoing resolutions and that the provisions thereof are in accordance with the provisions of law and of the Articles of Incorporation and the By-Laws of this Corporation

I further certify that there is no provision in the Articles of Incorporation or By-laws of this Corporation limiting the power of the Board of Directors to pass the foregoing resolutions and that the same are in conformity with the provisions of said Articles of Incorporation and By-laws

I further certify that the following are the names and official signatures of the present officers of this Corporation

Name	Title	Signature
<u>J. C. McIntyre</u>	President	<u>J. C. McIntyre</u>
<u>L. A. Anderson</u>	Vice President	<u>L. A. Anderson</u>
<u>L. A. Anderson</u>	Secretary	<u>L. A. Anderson</u>
<u>Kurt V. Feaster</u>	Treasurer	<u>K. V. Feaster</u>
<u></u>	Assistant Secty	<u></u>
<u></u>	Assistant Treas	<u></u>

In Witness Whereof, I have hereunto subscribed my name and affixed the seal of this Corporation this 16th day of April 1996  
L. A. Anderson  
Secretary

(Corporate Seal)

**Schedule Number 1**

This Schedule, dated as of June 14, 1996, between NationsBank Leasing Corporation, as Lessor, and Dakota, Minnesota & Eastern Railroad Corporation, as Lessee, is executed pursuant to and is subject to the terms and conditions of Master Equipment Lease Agreement Number 02034-00300 dated as of April 9, 1996 (the "Lease") Unless otherwise defined herein, capitalized terms used in this Schedule have the respective meanings assigned to such terms in the Lease Should any terms and conditions of this Schedule conflict with any provision of the Lease, the terms and conditions herein shall supersede conflicting terms and conditions in the Lease

Lessee hereby authorizes Lessor to insert herein the serial numbers and other identification data of the Equipment, when determined by Lessor, and dates or other omitted factual matters

**Description of Equipment**, the total cost of which to Lessor is \$5,523,106 00 ("Total Capitalized Cost")

Quantity	Description	Serial Number	Cost
100	Railcars - See Exhibit A		\$5,523,106 00
		Total Cap Cost	\$5,523,106 00

**Term of Lease with respect to Equipment:** The term of the Lease for the Equipment described herein is for an Interim Term commencing on the Acceptance Date set forth below, and continuing through and including the day preceding the Base Term Commencement Date, and for a Base Term of one hundred eighty (180) months commencing on the 5th day of the calendar month following the Acceptance Date (the "Base Term Commencement Date")

**Rental:** Interim Rent shall be due Lessor for each day in the Interim Term shall equal 0 022917% multiplied by Total Capitalized Cost The 0 022917% is based upon NationsBank of Georgia, N.A.'s present "Prime Rate" of 8 250000% plus 0 000000% For each one-quarter percent (0 25%) change in such Prime Rate, the 0 022917% will increase or decrease (as applicable) by 0 00069444% Interim Rent shall be payable on the Base Term Commencement Date

Base Rent shall be payable in one hundred eighty (180) consecutive monthly installments with the months one (1) through sixty (60) at \$ 37,911 70 each followed by months sixty one (61) through one hundred eighty (180) at \$ 46,336 10 each, the first Base Rent installment being payable on the Base Term Commencement Date and the remaining Base Rent installments being payable on the 5th day of each succeeding month

**Stipulated Loss Value:** After the occurrence of any casualty loss or other event giving Lessor the right to require payment of the Equipment's Stipulated Loss Value, Lessor shall calculate such Stipulated Loss Value and give Lessee written notice thereof Such "Stipulated Loss Value", as of any particular date, shall be the product obtained by multiplying the Total Capitalized Cost for the item of Equipment in question by the percentage, as set forth in the attached "Schedule of Stipulated Loss Values", specified opposite the rent installment number becoming due immediately after the date Lessor gives Lessee notice requiring payment of the Stipulated Loss Value (the "SLV Payment Date"). On the SLV Payment Date, Lessee shall pay Lessor the Stipulated Loss Value plus the rent installment then due, together with any other unpaid amounts then due and owing under this Schedule If only a portion of the Equipment is affected by any event causing calculation of Stipulated Loss Value, and the cost of such portion cannot be readily determined from the Total Capitalized Cost set forth above, then the Total Capitalized Cost for such portion shall be as reasonably calculated by Lessor, with written notice of such Total Capitalized Cost being sent to Lessee by Lessor

**Assets Class and Depreciable Life:** Lessee hereby warrants and represents that the above described Equipment qualifies under asset guideline class 0 25 and constitutes "7-year property" within the meaning of Internal Revenue Code Section 168

**Location of Equipment:** Equipment will be located at 337 22nd Avenue, South, Brookings, Brookings, SD 57006

**Insurance Requirements:** In addition to the requirements set forth in the Lease, the following shall apply.

Liability Not less than \$500,000 00 combined single limit liability insurance, including bodily injury and death and property damage, covering activities of Lessor and Lessee and naming Lessor as additional insured

Physical Damage Comprehensive insurance, including loss by burglary, theft, malicious mischief and fire, for an amount not less than the Stipulated Loss Value of the Equipment, and naming Lessor as loss payee.

**End of Base Term Options:** (i) Lessee may, provided Lessee is not in default under any of the provisions of the Lease or this Schedule, and upon its having provided to Lessor written notice not less than ninety (90) days prior to the expiration of the Base Term of its election (which shall be irrevocable) to purchase all of Lessor's right, title and interest in and to all, but not less than all, of the Equipment for a purchase price equal to the greater of (a) the then Fair Market Value of the Equipment, or (b) \$2,529,582.51

(ii) If Lessee for any reason does not purchase the Equipment in accordance with paragraph (i) above, the Base Term shall automatically and without action on the part of Lessor or Lessee be extended for an additional term of thirty six (36) months at a monthly rental of \$40,197.72 (fixed monthly rental percentage of 72781%), with the first such rental being due and payable by Lessee on the first day following the last day of the Base Term. The fixed monthly rental percentage shall be subject to a one time increase or decrease, to be adjusted prior to the last day of the Base Term, to actuarially reflect the difference between the Index Rate and the Base Index Rate. The Index Rate shall be the three (3) year Treasury Constant Maturities Yield derived from the column entitled "Week Ending" (for the more recent week) set forth in the Federal Reserve Statistical Release H 15 (519) ("Release H 15") issued on or closest prior to the last day of the Base Term. The Base Index Rate shall be 6.10%. Upon termination of the extended lease term, the Lessee shall either (i) return the Equipment to Lessor in accordance with the terms of the Lease or (ii) provided, Lessee has given Lessor ninety (90) day's prior written notice, purchase not less than all of the Equipment for its then Fair Market Value,

**Early Termination:** Provided that no Event of Default (as defined in the Lease) shall have occurred and be continuing, Lessee shall have the option, exercisable at its own discretion, to terminate the term of lease on the 12th annual anniversary date of the Base Term Commencement Date, by giving written notice to Lessor, not less than two (2) months prior to termination, of its intent to terminate. Upon exercising this Early Buyout option, Lessee shall purchase all of Lessor's right, title and interest in and to all, but not less than all, of the Equipment on an "As-Is", "Where-Is" basis, with no warranties (express or implied) as to any matter whatsoever, except that no security interest, lien or encumbrance against such Equipment then exists that has been created by Lessor, for a purchase price equal to \$3,644,145.34 plus all unpaid rentals and other sums due and owing under the Lease. Lessee shall pay Lessor the purchase price plus any applicable taxes. Lessee shall continue to pay Lessor monthly rentals for the Equipment until Lessor receives proceeds of transfer.

Upon receipt by Lessor of full payment, Lessor shall execute and transmit to Lessee all title papers needed to effect the transfer.

**No Material Adverse Change:** Lessee represents and warrants that there has been no material adverse change in its business or financial condition since January 30, 1996. Lessor shall not be obligated to execute this Schedule and lease the Equipment hereunder to Lessee if there shall have occurred any change in applicable law that would have a material adverse impact on the transaction contemplated hereby or there shall have occurred a material adverse change (in Lessor's sole judgment) in the financial or business condition of Lessee.

**Acknowledgment of Receipt of Equipment:** Lessee acknowledges that the Equipment described herein above has been delivered to and received by it, is conforming as represented, and is acceptable and satisfactory to it, and that the same has been irrevocably accepted as Equipment leased by Lessee under this Schedule as of the date written below (the "Acceptance Date")

NationsBanc Leasing Corporation

By

Printed Name

Damon R. Excell  
Assistant Vice President

Title

Dakota, Minnesota & Eastern Railroad Corporation

By

Printed Name

Kurt V. Feaster, Chief Financial Officer  
Treasurer & Ass't Secretary

Title

Acceptance Date

6-17-96

09N24

# NationsBank®

NationsBank Leasing Corporation

Exhibit "A"

Dakota, Minnesota & Eastern Railroad Corporation  
Master Equipment Lease Agreement  
Number 02034-00300  
Schedule No. 1

Quantity	Description	Serial Numbers
100	5161 C.F. Covered Hopper Railcars	51000-51044 51048-51102

Dakota, Minnesota & Eastern  
Railroad Corporation

By. 

NationsBank Leasing Corporation

By. 

Damon R. Excell  
Assistant Vice President



NationsBanc Leasing Corporation

**Personal Property Taxes**

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Master Equipment Lease Agreement 02034

Lease No.02034-00300

Schedule No.1

Tax laws require NationsBanc Leasing Corporation, as legal owner of your leased equipment, to be responsible for listing the equipment under this lease contract, and any supplements thereto, for any Federal, State, County, or Municipal taxes applicable to this leased property, and for timely payment of taxes assessed thereon

Your lease agreement defines your responsibility for reimbursement of these taxes to NationsBanc Leasing Corporation promptly as Lessee

Please acknowledge your understanding and acceptance of these conditions by signing and dating below:

I (We) will declare when listing property to taxing authorities, the equipment covered by this and any subsequent leases as LEASED equipment only.

I (We) will immediately notify NationsBanc Leasing Corporation of any change in location of this equipment.

I (We) will reimburse NationsBanc Leasing Corporation promptly upon receipt of invoices for any taxes paid by NationsBanc Leasing Corporation assessed on equipment we are leasing therefrom.

Equipment Location. 337 22nd Avenue, South, Brookings, Brookings, SD 57006

Dakota, Minnesota & Eastern Railroad Corporation

\_\_\_\_\_  
BY

\_\_\_\_\_  
TITLE

\_\_\_\_\_  
DATE

# NationsBank®

NationsBanc Leasing Corporation

## Schedule of Stipulated Loss Values For Equipment Lease Schedule

### Schedule Number 1

This Schedule of Stipulated Loss Values is made a part of Equipment Schedule No. 1, dated June 14, 1996, to Master Equipment Lease Agreement Number 02034-00300, dated as of June 14, 1996, between NationsBanc Leasing Corporation (as "Lessor") and Dakota, Minnesota & Eastern Railroad Corporation (as "Lessee").

<u>Base Rent</u> <u>Install Number</u>	<u>Stipulated Loss</u> <u>Value Percent</u>	<u>Base Rent</u> <u>Install Number</u>	<u>Stipulated Loss</u> <u>Value Percent</u>	<u>Base Rent</u> <u>Install Number</u>	<u>Stipulated Loss</u> <u>Value Percent</u>
1	101.61963	35	102.49663	69	97.79606
2	101.73794	36	102.44588	70	97.49000
3	101.84048	37	102.39291	71	97.17995
4	101.94162	38	102.33771	72	96.86669
5	102.04134	39	102.27725	73	96.54939
6	102.12519	40	102.21452	74	96.22804
7	102.20754	41	102.14951	75	95.90342
8	102.28837	42	102.07918	76	95.57470
9	102.36768	43	102.00654	77	95.24187
10	102.43391	44	101.93155	78	94.90571
11	102.49854	45	101.85423	79	94.56539
12	102.55003	46	101.77405	80	94.22089
13	102.59983	47	101.69151	81	93.87219
14	102.64795	48	101.60609	82	93.52326
15	102.68283	49	101.51827	83	93.17009
16	102.71594	50	101.42803	84	92.81666
17	102.74728	51	101.33489	85	92.45899
18	102.76529	52	101.23930	86	92.09704
19	102.78144	53	101.14125	87	91.73478
20	102.79573	54	101.04025	88	91.36823
21	102.80815	55	100.93677	89	90.99736
22	102.81211	56	100.83079	90	90.62613
23	102.81414	57	100.72231	91	90.25055
24	102.80766	58	100.61146	92	89.87062
25	102.79919	59	100.49808	93	89.48630
26	102.78873	60	100.38231	94	89.10471
27	102.76969	61	100.11021	95	88.71873
28	102.74860	62	99.83430	96	88.33548
29	102.72545	63	99.55470	97	87.94782
30	102.69366	64	99.27125	98	87.55574
31	102.65974	65	98.98392	99	87.16635
32	102.62370	66	98.69285	100	86.77253
33	102.58552	67	98.39787	101	86.37425
34	102.54216	68	98.09894	102	85.97863

In Witness Whereof, Lessee and Lessor have caused this Schedule of Stipulated Loss Values to be executed by its authorized officers

NationsBanc Leasing Corporation

By

Printed Name Damon R. Excell  
Assistant Vice President

Title \_\_\_\_\_

Dakota, Minnesota & Eastern Railroad Corporation

By

Printed Name: Kurt V. Feaster, Chief Financial Officer  
Treasurer & Ass't Secretary

Title \_\_\_\_\_

103	85 57854	149	64.66578
104	85 17395	150	64 15564
105	84 76485	151	63 64042
106	84.35836	152	63.12011
107	83.94734	153	62.59466
108	83 53892	154	62.07121
109	83 12596	155	61.54261
110	82.70844	156	61.01599
111	82 29348	157	60.48421
112	81.87395	158	59.94724
113	81.44982	159	59.41221
114	81 02822	160	58.87196
115	80.60202	161	58.32649
116	80.17118	162	57.78290
117	79.73569	163	57.23407
118	79.30266	164	56.67995
119	78.86497	165	56.12053
120	78.42974	166	55.56292
121	77.98982	167	54.99999
122	77.54521	168	54.43886
123	77.10301	169	53.87238
124	76.65610	170	53.28566
125	76.20444	171	52.70069
126	75.75517	172	52.11033
127	75.30115	173	51.51455
128	74.84235	174	50.92047
129	74.37874	175	50.32096
130	73.91746	176	49.71597
131	73.45135	177	49.10549
132	72.98756	178	48.52559
133	72.51894	179	47.94032
134	72.04546	180	47.38575
135	71.57425		
136	71.09817		
137	70 61719		
138	70 13844		
139	69 65479		
140	69.16620		
141	68.67265		
142	68.18126		
143	67.68490		
144	67 19068		
145	66.69148		
146	66.18726		
147	65.68514		
148	65 17799		

In Witness Whereof, Lessee and Lessor have caused this Schedule of Stipulated Loss Values to be executed by its authorized officers

NationsBanc Leasing Corporation

By 

Printed Name Damon R. Excell

Title Assistant Vice President

Dakota, Minnesota & Eastern Railroad Corporation

By 

Printed Name Kurt V. Feaster, Chief Financial Officer

Title Treasurer & Ass't Secretary

## CONSENT AND AGREEMENT

The undersigned, Trinity Industries, Inc. ("Trinity"), hereby acknowledges notice of and consents to the assignment of that certain letter of proposal and attachments thereto dated November 7, 1995 from Trinity to Dakota, Minnesota & Eastern Railroad Corporation ("DME"), as accepted by DME on November 13, 1995 (such proposal, attachments thereto and acceptance referred to as the "Purchase Agreement"), to the NationsBanc Leasing Corporation, a North Carolina corporation dated as of the 1st day of April, 1996 (the "Grantee") relating to any of the three hundred covered hopper railcars (the "Railcars") sold by Trinity to DME, subject to the terms and conditions of the Purchase Agreement.

Trinity hereby confirms that all of its representations, warranties and agreements contained in the Purchase Agreement which have been assigned by DME to the Grantee shall, subject to the terms and conditions of the Purchase Agreement, inure to the benefit of the Grantee to the same extent as if the Grantee had been named as the "Buyer" in the Purchase Agreement.

By its execution hereof, DME agrees to indemnify and hold harmless Trinity against any loss, liability, damage, cost or expense (including reasonable attorneys' fees) resulting from (i) any claim arising under the Purchase Agreement made by DME in its individual capacity at any time after the assignment of the Purchase Agreement to Grantee, (ii) any assertion by Grantee or DME that the Purchase Agreement is not binding upon Grantee or that the assignment has modified the contract rights of Trinity, and (iii) any assertion by Grantee or DME that Trinity's execution of this Consent and Agreement subjects Trinity to any liability to which it would not otherwise be subject under the Purchase Agreement.

In executing this Consent and Agreement, Trinity has not been furnished any of the agreements between DME and Grantee other than the Assignment of Purchase Order attached hereto as Exhibit "A." In executing this document, Trinity is relying upon the indemnification of DME contained herein. The effectiveness of Trinity's consent hereunder is conditioned upon the execution of this document by DME and its delivery to Trinity.

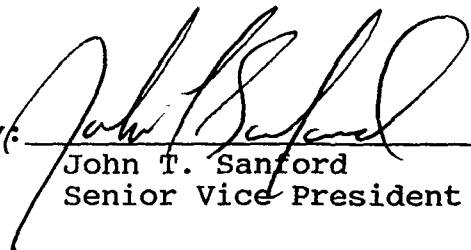
Neither DME's assignment to Grantee of all of the rights of DME under the Purchase Agreement nor Trinity's consent to such assignment shall relieve DME of its obligation to purchase and pay for the Railcars if Grantee fails to do so.

This consent relates to that certain Assignment of Purchase Order attached hereto as Exhibit "A."

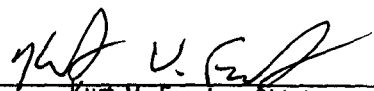


IN WITNESS WHEREOF, the undersigned has caused this Consent and Agreement to be duly executed.

Trinity Industries, Inc.

By:   
John T. Sanford  
Senior Vice President

Dakota, Minnesota & Eastern  
Railroad Corporation

By:   
Name: Kurt V. Feaster, Chief Financial Officer  
Title: Treasurer & Ass't Secretary

Dated as of \_\_\_\_\_.